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GRAND RAPIDS  
MEDICAL EDUCATION & RESEARCH CENTER  
FOR HEALTH PROFESSIONS

RESIDENT AGREEMENT

COPY

**THIS AGREEMENT** is made and entered into this 6th day of April, 2005 by and between **GRAND RAPIDS MEDICAL EDUCATION CONSORTIUM, INC., d/b/a GRAND RAPIDS MEDICAL EDUCATION & RESEARCH CENTER FOR HEALTH PROFESSIONS ("GRMERC")**, a Michigan nonprofit corporation, of 1000 Monroe Avenue NW, Grand Rapids, Michigan 49503 and Margaret Loewen ("Resident"), of 6736 Stanhope Dr, Indianapolis, IN 46254.

Recitals

GRMERC is located in Grand Rapids, Michigan and is engaged in graduate medical education and clinical training programs accredited by the Accreditation Council for Graduate Medical Education ("ACGME"). Resident holds an advanced degree in medicine from an approved medical college or university and has applied (or been approved) for a license to practice medicine in the State of Michigan. In the interest of scholarship and professional growth, Resident desires to participate in the education experience offered by GRMERC and the participating hospitals (individually "Hospital" and collectively, the "Hospitals").

Agreement

In consideration of these facts and the mutual covenants contained in this Agreement, the parties agree as follows:

1. **Appointment.** GRMERC appoints Resident and Resident accepts such appointment as a resident in the General Surgery Residency Program (the "Program") as a G-1 for a one (1) year term beginning on or about July 1, 2005 and ending on June 30, 2006 unless otherwise terminated in accordance with the terms of this Agreement (the "Term").
2. **Resident Physician Obligations.** Resident agrees to the following obligations:
  - a. Satisfy the educational and clinical requirements of the Program, including Resident's hours of duty, as Program's director (the "Program Director") determines. Such requirements shall be determined in conformity with the conditions established by ACGME and the GRMERC Resident Staff Manual.
  - b. Complete medical records within seven (7) days after they have been placed in Resident's file, unless there is a valid excuse (i.e., vacation, illness, out of town rotation). Resident's performance in record completion will be taken into consideration when determinations are being made as to whether or not to extend Resident's appointment, and recurrent ongoing failure to fulfill this obligation may result in suspension from the Program.
  - c. Perform the duties and responsibilities under this Agreement to the best of Resident's abilities and at a level of competence commensurate with Resident's level of advancement and responsibility, as determined by the Program Director and related GRMERC and Hospital officials.
  - d. Comply with all applicable policies, procedures, rules and regulations of GRMERC and the Hospitals, as the same may exist from time to time, including any rules and regulations described in the Resident Staff Manual. Policies included in the Resident Staff Manual will include, but not be limited to, Harassment, Physician Impairment, Supervision, Duty Hours and Work Environment. Said requirements include the successful completion of an occupational health screening and all required vaccines and immunizations.
  - e. Maintain, at all times during the Term, a regular or limited license to practice medicine in the State of Michigan, a controlled substance registration as required by the State of Michigan, and ACLS

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certification per Program requirements. During the Term, Resident shall notify GRMERC immediately in the event that the license, registration or certification, as the case may be, is, for any reason, suspended, terminated, or limited in any respect.

- f. Pay all financial obligations owed to GRMERC prior to termination of this Agreement. Resident agrees that any personal outstanding amounts owed to GRMERC may be deducted from Resident's final paycheck, and acknowledges that this consent for deduction is made freely and without coercion. Resident agrees to execute, upon demand of GRMERC, any further written consent that may be required by law for GRMERC to make such a deduction.

3. **GRMERC Obligations.** GRMERC agrees to the following obligations:

- a. Substantially comply with the ACGME's "Institutional Requirements" and provide an educational program that achieves substantial compliance with ACGME's "Program Requirements."
- b. Provide to Resident copies of the GRMERC Resident Staff Manual ("Resident Staff Manual"), including Graduate Medical Education Policies and Procedures (the Resident Staff Manual is available on the GRMERC web site at [www.grmerc.net](http://www.grmerc.net)).
- c. Provide due process for the redress of any grievances as described in the Resident Staff Manual, and provide opportunity for an appeal of any mid-year contract termination.

4. **Compensation/Benefits.** It is understood and agreed that all compensation, in any form, paid to Resident is not payment for patient care services but is a grant to further the medical education of Resident. As the sole consideration to be received by Resident for the services to be provided hereunder, GRMERC agrees to provide Resident with an educational stipend in the amount of \$40,000 for the Term, which GRMERC will disburse to Resident on a bi-weekly basis, less required withholding taxes. In addition, GRMERC shall provide Resident with the following benefits:

- a. Health Insurance: Includes prescription coverage for Resident, spouse and dependent children (if applicable). Coverage defined in Plan description.
- b. Dental Insurance: For Resident, spouse and dependent children (if applicable). Coverage defined in Plan description.
- c. Short and Long Term Disability Insurance: Coverage defined in Plan description.
- d. Term Life Insurance: \$100,000 term policy.
- e. Employee Assistance Program: Confidential individual or family counseling, grief and substance abuse support. Additional services defined in Plan description.
- e. Vacation: Three (3) weeks for residents at all levels, see GME Policies -Time Off for Call Requests, Vacations, Interviews, Conference Attendance, and Illness.
- f. Conference: One (1) week for residents at the PG II level and above (funding for attendance or presentation at conferences is according to individual program guidelines), see GME Policies -Time Off for Call Requests, Vacations, Interviews, Conference Attendance, and Illness.
- g. Leaves of Absence: As necessary for illness, family and personal (including criteria for program completion), see GME Policies - Leaves of Absence.
- h. Meals while on Duty: Available in the Saint Mary's Health Care and Spectrum Health cafeterias, up to \$2,000.00 while the Resident is on duty in accordance with the GRMERC "Meal Privilege Honor Code," see Resident Staff Manual.
- i. Free Parking: location identified by participating hospitals.
- j. Pager.
- k. On Call Facilities: Available at Saint Mary's Health Care and Spectrum Health facilities.
- l. Lab Coats: four (4) lab coats at the beginning of the Program and two (2) each year thereafter shall be provided free of charge. Laundering shall also be provided at no cost.

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- m. Retirement Plan: Residents may contribute to the GRMERC TIAA-CREF voluntary 403(b).
- n. Professional liability insurance provided through the Hospitals, with coverage beyond termination of this Agreement consistent with the terms of the Resident Staff Manual and the terms of the coverage available through the Hospitals.

No compensation of any kind or nature shall be paid to or accepted by Resident from patients or third parties for any services rendered. Resident acknowledges that GRMERC shall have the ability to change any of the benefits items listed in this Section 4, so long as such change is applicable to all GRMERC residents.

5. **Outside Activities.** During the Term, Resident may participate or engage in outside remunerative work if (1) Resident has a permanent license to practice medicine in Michigan; (2) such activities are determined by the Program Director or related GRMERC and Hospital officials to not interfere with Resident obligations under this Agreement; and (3) Resident has presented GRMERC with evidence of professional liability insurance in such amounts as are deemed appropriate by GRMERC, insuring Resident against any malpractice liability, and Resident has agreed to indemnify and hold harmless GRMERC and the Hospitals from all losses and expenses resulting from or caused by such activities, (either or both of which conditions may be waived by GRMERC, in its sole discretion, if deemed appropriate in view of the activities in which resident seeks to engage). Resident acknowledges that while engaging in any other activities Resident is not acting as an employee or agent of GRMERC and accordingly Resident is not covered by the insurance programs of the Hospitals.

6. **Termination.** This Agreement may terminate during the Term consistent with the following:

- a. Resident may terminate the Agreement at any time upon thirty (30) days' advance written notice to GRMERC (unless the Director of the Program to which the Resident is assigned agrees to a shorter notice period). Resident shall provide GRMERC with an opportunity to discuss with Resident any differences, dissatisfactions or complaints.
- b. Notwithstanding any provision in the Agreement to the contrary, GRMERC may terminate this Agreement and Resident's Program participation with or without cause by providing Resident with written notice of termination.

Upon termination, GRMERC shall be obligated only to pay the stipend and additional benefits through the date of termination.

7. **Appointment Extension.** Upon the determination of GRMERC, in its sole discretion, the Resident's appointment may be extended for one or more additional one year term(s). The manner in which GRMERC determines whether or not to extend Resident's appointment shall be consistent with GRMERC's GME Evaluation and Advancement Policy, which GRMERC may revise from time to time. GRMERC agrees that it will communicate, in writing, any decision not to extend Resident's appointment not less than four (4) months prior to the end of the Term. Should the primary reason(s) supporting GRMERC's decision not to extend Resident's appointment occur within the four (4) months prior to the end of the Term, GRMERC will provide Resident with as much advance written notice of the intent not to extend Resident's appointment as the circumstances will reasonably allow. Resident will be allowed to implement the grievance procedure upon receipt of a written notice of GRMERC's intent not to extend Resident's appointment.

If GRMERC elects to extend Resident's appointment for any successive year following the Term, then GRMERC will present a New Agreement to Resident for review and execution prior to the start of the following year and in accordance with GRMERC's GME Evaluation and Advancement Policy. If Resident does not execute the New Agreement, this Agreement shall automatically cease and terminate at the end of the Term.



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8. **Program Closing.** Should it become necessary for GRMERC to reduce the size of or close the Program, it shall promptly notify Resident. In the event of such reduction or closure, GRMERC shall have the sole discretion to terminate this Agreement and Resident's appointment. However, GRMERC shall make reasonable efforts to allow residents already in the Program to complete their education. If Resident is displaced by the closure of the Program or a reduction in the number of residents, GRMERC shall make best efforts to assist Resident in identifying a program in which he/she can continue his/her education. GRMERC may, in its discretion, continue stipend and benefits under the Agreement for some or all of the remaining Term.
9. **Release of Information.** Resident acknowledges and agrees the Program provides academic training and that evaluations of his/her work and progress in his/her training area are an integral part of the Program. Resident acknowledges and agrees the Program maintains various other records relating to Resident's participation in the Program. Resident acknowledges and agrees that any information relating to Resident's participation in the Program may be furnished by the Program (without Resident's consent) to certification boards, any institution or organization to which Resident may apply for training, employment or privileges, or to any other person or entity to whom GRMERC determines should receive the information. Resident agrees to release GRMERC, its employees and other personnel for claims, liabilities, damages, expenses and attorneys' fees relating to, or arising from, the release of such information.
10. **Release of Prior Information.** Resident hereby authorizes all previous employers, law enforcement agencies, and individuals with personal knowledge to disclose to GRMERC or to its agents, any and all information in their possession about Resident's employment history (including disciplinary and other matters), personal background, academic history, and criminal records. Resident further authorizes education institutions and licensing agencies to disclose to GRMERC any and all information in their possession regarding Resident's attendance and performance at and licensure by each such institution and/or agency, including but limited to disclosure of: any diploma or degree of certification awarded, academic information and transcripts; any disciplinary record; licensing applications; and licensure files. Resident hereby waives written or other notice of release of any information to GRMERC.
11. **Confidentiality.** Resident acknowledges that he/she is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and all regulations promulgated thereunder ("HIPAA"), and agrees to, and shall comply in all material respects with the health information privacy provisions of HIPAA, as well as all policies, procedures and practices of GRMERC and the Hospitals relating to privacy, confidentiality, and security of patient health information. Except as may be required in fulfillment of Resident's duties and responsibilities under this Agreement, Resident shall not divulge, furnish, or make accessible, to anyone, trade secrets, patient lists, or confidential information of any kind with respect to the patients or operations of GRMERC or the Hospitals. The parties agree that the provision of this section shall survive termination of this Agreement.
12. **Legal Work Status.** The parties acknowledge that Resident is required to document that he/she is legally authorized to participate in the Program. GRMERC may, in its discretion, assist Resident in obtaining proper authorization; however, Resident remains responsible for obtaining such authorization. Notwithstanding, any other provision stated here, this Agreement shall be void if Resident does not produce such evidence, or if, at any time after such presentation, it becomes known that Resident is ineligible, under United States law, to perform any of his/her obligations arising out of the Agreement within the United States. In that case, GRMERC shall have no obligations or liabilities, contractual or otherwise, to Resident.
13. **Access Clause.** In the event the Secretary of Health and Human Services or the Comptroller General of the United States or their representatives determine that this Agreement is a contract described in section 1861 (v) (1) (I) of the Social Security Act, 42 U.S.C. 1295x (v) (1) (I), Resident agrees that he/she shall retain for four (4) years the books, documents and records which are necessary to certify the nature and extent of costs paid by GRMERC pursuant to this Agreement. In addition, he/she shall make such materials available,

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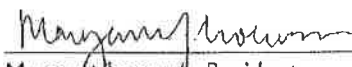
upon written request to GRMERC or the Secretary of Health and Human Services, or upon request to the Comptroller General of the United States, or any of their duly authorized representatives.

14. **Assignment.** This Agreement is personal to Resident and neither his/her duties nor his/her rights may be assigned, delegated or otherwise alienated in any manner without the express written consent of GRMERC.
15. **Third-Parties.** This Agreement shall be enforceable only by the parties hereto or, in the case of GRMERC, by any successor in interest, and no other person shall have the right to enforce any of the provisions contained herein.
16. **Amendments.** This Agreement may be amended at any time by mutual agreement of the parties hereto, provided that before any amendment shall be operative or valid, it shall be reduced to writing and signed by all parties.
17. **Notice.** Any notice, offer, demand or communication required or permitted to be given under any provision of this Agreement shall be deemed to have been sufficiently given for all purposes if delivered personally to the party to whom the same is directed or if sent, by registered or certified mail, postage and charges prepaid, to the address for purposes of this Agreement by giving the other party notice in writing of such change.
18. **Complete Agreement.** This Agreement executed by the contracting parties contains the entire understanding of the contracting parties, and such understanding may not be modified except in writing signed by the parties.
19. **Severability.** If any provision of this Agreement is found to be unenforceable or illegal, the remaining parts of the Agreement shall remain in effect and be enforceable.
20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first above written.

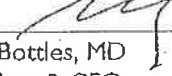
**GRAND RAPIDS MEDICAL EDUCATION & RESEARCH CENTER FOR HEALTH PROFESSIONS**

Date: 4-13-05

  
Margaret Loewen, Resident


Date: 4/25/05

Grand Rapids Medical Education & Research Center  
for Health Professions

By:   
Kent Bottles, MD  
President & CEO

Approved:

Date: 5/6/05

  
Marc Schlatter, MD, Program Director  
General Surgery Residency Program